



California Public Utilities Commission

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PRESS RELEASE

Docket #: I.10-12-010

CPUC FINES TELECOMMUNICATION COMPANIES \$19 MILLION FOR CRAMMING

SAN FRANCISCO, August 15, 2014 - The California Public Utilities Commission (CPUC) has fined the telecommunications companies Telseven and California Calling, and Mr. Patrick Hines, their owner and director, \$19.76 million for placing unauthorized charges on consumer phone bills, an unlawful practice known as cramming. The fine is to be divided evenly between the two companies and Hines.

Telseven, California Calling, and Hines controlled up to one million toll-free telephone numbers, for which they had no commercially reasonable purpose for controlling other than to catch misdialers. Consumers who misdialed reached a recorded notice controlled by the companies that failed to clearly explain the nature of the services being offered and the price. The CPUC's investigation found that the companies offered no evidence that any customer authorized charges for the services billed to them.

“With this Decision the CPUC holds accountable corporate entities, including the individual directing those corporate entities, responsible for large-scale cramming of California consumers,” said Commissioner Catherine J.K. Sandoval, the author of today's decision. “By approving the \$19.76 million penalty, the CPUC underlines its commitment to enforcing California's laws and the CPUC's regulations against cramming and thereby takes strong steps to deter cramming of unauthorized charges on California phone bills.”

The document voted on is available at



<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M101/K922/101922573.PDF>.

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